

Form PTO-1594 (Rev. 06/04)
OMB Collection 0651-0027 (exp. 6/30/2005)

U.S. DEPARTMENT OF COMMERCE
United States Patent and Trademark Office

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)/Execution Date(s):

Intensity, Inc.

- Individual(s)
- General Partnership
- Corporation-State California
- Other _____
- Association
- Limited Partnership

Citizenship (see guidelines) _____

Execution Date(s) January 22, 1999

Additional names of conveying parties attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: Intensity Athletics, Inc.

Internal

Address: _____

Street Address: 25172 Arctic Ocean Drive #101

City: Lake Forest

State: California

Country: USA Zip: 92630

- Association
- General Partnership
- Limited Partnership
- Corporation
- Other _____

Citizenship _____
If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2,233,133

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

5. Name & address of party to whom correspondence concerning document should be mailed:

Name: Wendy L. Robertson

Internal Address: Alston & Bird LLP

Street Address: 1201 W. Peachtree Street

City: Atlanta

State: Georgia Zip: 30309-3424

Phone Number: (404) 881-7000

Fax Number: (404) 881-7777

Email Address: ipatl@alston.com

6. Total number of applications and registrations involved:

1

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 40.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number 16-0605

Authorized User Name Alston & Bird LLP

9. Signature:

Signature

10/18/04
Date

Wendy L. Robertson

Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 8

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

CH \$40.00 160606 2233133

PURCHASE CONTRACT

THIS AGREEMENT is entered into this 22 day of January, 1999 between INTENSITY ATHLETICS, INC., a California corporation, hereinafter called "BUYER," and INTENSITY, INC., a California corporation, hereinafter called "SELLER."

WHEREAS, SELLER is desirous of selling to BUYER and BUYER is desirous of purchasing from SELLER those assets as set forth hereinafter;

NOW THEREFORE, for valuable consideration, it is agreed as follows:

1. SELLER does hereby assign, sell, convey and transfer on to BUYER the following assets of SELLER:

- a. Inventory;
- b. Trade name;
- c. Trade marks;
- d. Use of the name Intensity;
- e. Cutting patterns;
- f. Manufacturing Tools;
- g. Pattern maker;
- h. Quality Control Book.

SELLER does retain all other of its assets.

2. SELLER represents the following:

a. That it has good and marketable title to all of said assets being transferred hereunder, and that said assets are free and clear of all liens and encumbrances, except for the lien in favor of El Dorado Bank, and that SELLER has the right to

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convey said assets to BUYER.

b. It is agreed between BUYER and SELLER that the bill of material costs of inventory being transferred to BUYER, is in the sum of \$ 221,418¹⁴/₁₀₀ to be determined by inventory count and audit by BUYER and SELLER.

3. BUYER shall pay to SELLER as and for consideration for said purchase, and for other covenants contained herein, the following:

a. Cash upon closing the sum of \$ 97,423⁹⁸/₁₀₀ (not to exceed \$105,000.00) (representing 44% of the cost of inventory). Fifty percent due at signing of contract and fifty percent due ninety days thereafter.

b. A royalty on all gross sales of BUYER on any item or items of clothing or any other articles using the trade name Intensity and or Intensity Athletics, and or any items of clothing similar to those items sold by SELLER (excluding sales resulting from BUYER acting as a manufacture representative or distributor for other companies), and or that are designed to address the same market of SELLER, and or derived from cuttings and or modifications or extensions of SELLER's product, and or are similar to products of SELLER, the sum as follows:

(1) For the calendars years 1999, 2000 and 2001, 4% of gross sales. In no event shall said royalty be less than \$50,000.00 per calendar year;

(2) For the calendar years 2002 and 2003, 3% of gross sales.

(3) Said royalty shall be paid quarterly commencing March 31, 1999. Any adjustments shall take place in the last quarter of the calendar year to wit December 31.

(4) SELLER shall have the right to inspect and audit BUYERS books, accounts and records and all items relating thereto at such time or times as SELLER deems reasonable. Said audit costs shall be at SELLER expense, provided however, in the event a discrepancy in any given audit is 10% or greater, BUYER agrees to reimburse SELLER for all of SELLER's audit expenses both direct and indirect.

(5) Gross sales shall not include salesman samples, returns, and close out items (not to exceed 5% of gross sales in any given month).

C. Any and all consideration and monies due and owing, SELLER (except any reimbursement of auditing expenses, which shall be paid to SELLER) shall be paid to and for the benefit of Eldorado Bank, which bank holds said assets as security for monies due them and which bank has recorded a UCC-1 financing statement.

4. So long as BUYER is not in breach of this agreement SELLER and SELLER'S shareholders to wit Bruce Cahill and Terry Burnett, individually and collectively agrees to indemnify and save BUYER free and harmless from any and all claims of all creditors of SELLER.

5. Is agreed between BUYER, SELLER and Eldorado Bank, that BUYER is not assuming any obligations of SELLER and that any

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payments made to bank by BUYER, are for the benefit for SELLER and does not otherwise obligate BUYER for any sums due bank by SELLER.

6. BUYER represents and warrants that; (A) BUYER is a corporation duly organized, existing, and in good standing under the laws of California. (B) The execution and delivery of this agreement and the consummation of this transaction by BUYER, have been duly authorized and no further corporate authorizations is necessary on the part of BUYER.

7. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations, and understandings of the parties. No supplement, modification or amendment of this agreement shall be binding unless executed in writing by all the parties. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

8. This agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

9. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason

of this Agreement on any persons other than the parties to it and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party of this Agreement, nor shall any provisions give any third persons any right or subrogation or action over against any party to this Agreement

10. This Agreement shall be binding on, and shall inure to the benefit of the parties and their respective heirs, legal representatives, successors, and assigns.

11. All notices, consents, demands, requests, approvals and other communications hereunder shall be in writing and shall be deemed to have been duly given (i) upon personal delivery, (ii) one day after being sent by professional overnight courier service from and to locations within the continental United States, (iii) five days after posting when sent by registered or certified mail (return receipt requested), or (iv) on the date of transmission when sent by facsimile transmission (confirmed by registered or certified mail, return receipt requested), addressed to the parties at the following address:

If to Buyer, to:

Intensity Athletics, Inc.
29922 Avenue DE las Banderas
Rancho Santa Margarita, Ca. 92688

If to Seller, to:

Intensity, Inc.
17802 Skypark Circle
Suite 106
Irvine, Ca. 92714

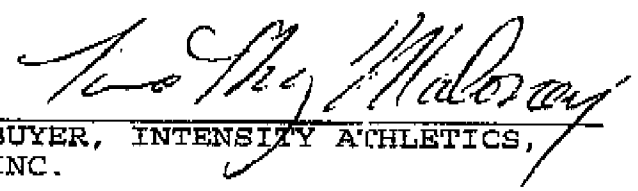
Bruce Cahill
17802 Skypark Circle
Suite 106
Irvine, Ca. 92714

Terry Burnett
17802 Skypark Circle
Suite 106
Irvine, Ca. 92714

Timothy Maloney
29922 Avenue De las Banderas
Rancho Santa Margarita, Ca. 92688

12. In the event of a breach of this agreement resulting in litigation, the prevailing party shall be entitled to reasonable attorneys fees and court costs.

Dated:


BUYER, INTENSITY ATHLETICS,
INC.

Dated: 1/22/99

 CEO
SELLER, INTENSITY, INC.

Dated: 1/18/99

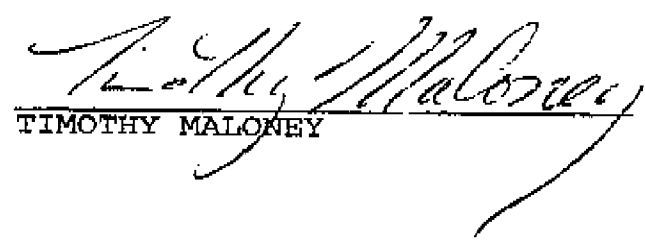

BRUCE CAHILL

Dated: Jan 18, 1999


TERRY BURNETT

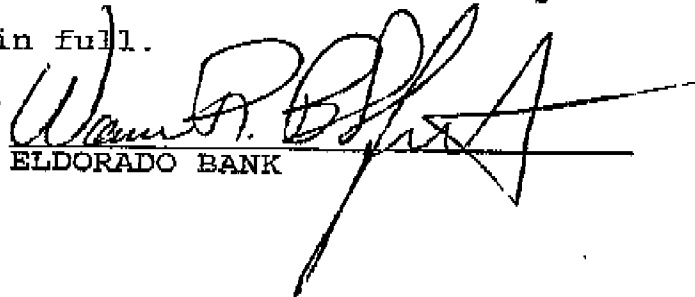
The undersigned does individually and personally guarantee the covenants, conditions, performance and obligations of BUYER, Intensity Athletics, Inc., required of BUYER under this agreement.

Dated:


TIMOTHY MALONEY

The undersigned does consent to the transfer and the subsequent sale to third parties of the assets provided for in this agreement upon the express condition that all payments under this agreement be paid directly to the undersigned to the extent monies are owed the undersigned. The undersigned retains any and all rights against SELLER and its guarantors in the event any sums due to the bank are not paid in full.

Dated:


 EL DORADO BANK

*El Dorado Bank
 17752 E 17th St.
 Tustin Ca 92681
 Warren Bankfelt*